Approved For Release 2006/08/09 : CIA-RDP80R01731R000800050010-2 ER 5-0064

CONFIDENTIAL

MEMORANDUM FOR: Mr. Robert M. Macy
Bureau of the Budget

SUBJECT : Budgetary Analysis of Intelligence Programs

1. In response to your 17 November 1953 request for advice and assistance from the Intelligence Advisory Committee in the development of a more adequate budgetary analysis of U. S. intelligence programs and more specifically in the formulation of a categorized approach to budgetary analysis, there is attached a suggested initial listing of categories to accomplish these purposes.

2. In keeping with the understanding reached at the IAC meeting at which you were present, internal security programs are excluded from the categories as they will be excluded from the analysis.

3. Based on informal consultation, it is my understanding that you believe these categories will be suitable to assist you, at least in the initial stages, to achieve the objectives outlined by you on 17 November to the IAC.

4. As the survey proceeds, the Bureau should feel free to call upon the IAC for additional assistance, as appropriate. It would be appreciated if the Bureau's findings would be made available to the IAC.

STATINTL [redacted]

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for ALLEN W. DULLES
Director

[redacted]

1 Att - Suggested Initial Listing
OIC:JQR:km (18 Dec 53)
Rewritten: A-DD/A:LRH:jeb (22 Dec 53)
cc: DCI (2)
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Suggested Categories for the Survey of Intelligence Budgets

1. The major categories should be restricted to the classical classification of intelligence, namely: collection, production and dissemination.

2. The category "collection" should be divided as overt and covert.

3. Intelligence activities under the category "production" should be further classified as follows:

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4. No attempt has been made to classify "production" or the subdivisions of "production" as basic, current and national intelligence. Such a division, if made, would be unrealistic, inasmuch as in some agencies the employment of personnel on these respective categories of intelligence will vary with the intensity of international relations and crises. There is no formula thus far discovered or used among the agencies which could indicate the actual allocation of total resources to those categories of intelligence.

5. The category "dissemination," for the sake of uniformity in the survey, should include screening, reproduction, translation, distribution and libraries, although the relationship of those functions to both production and collection is recognized.

6. In connection with these activities, whether by intelligence or by operations, which serve purposes other than intelligence, the approximate intelligence cost should be broken out and listed. This is particularly applicable to certain problems in collection, but is not necessarily restricted to collection.

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